

**BEFORE THE TENNESSEE REGULATORY AUTHORITY AT  
NASHVILLE, TENNESSEE**

**March 24, 2004**

**IN RE:**

**PETITION OF ON-SITE SYSTEMS, INC. TO AMEND ITS  
CERTIFICATE OF CONVENIENCE AND NECESSITY**

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**DOCKET NO.  
03-00329**

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**ORDER APPROVING PETITION OF ON-SITE SYSTEMS, INC.  
TO AMEND ITS CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY**

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This matter came before Director Pat Miller, Director Sara Kyle and Director Ron Jones of the Tennessee Regulatory Authority (the "Authority"), the voting panel assigned to this docket, at a regularly scheduled Authority Conference held on October 21, 2003 to consider the Petition (the "Petition") of On-Site Systems, Inc. ("On-Site") to amend its Certificate of Public Convenience and Necessity ("CCN") to expand its service area to include the remaining unincorporated areas of Sevier County that have not been previously approved by the Authority.<sup>1</sup>

**Legal Standard for Granting CCN**

No public utility is permitted to begin construction or operation of a new utility facility or service before obtaining the approval of the TRA. The procedure for obtaining such approval is outlined in Tenn. Code Ann. § 65-4-201(a), which reads in pertinent part as follows:

No public utility shall establish or begin the construction of, or operate any line, plant, or system, or route in or into a municipality or other territory already receiving a like service from another public utility, or establish service therein, without first having obtained from the authority, after written application and hearing, a certificate that the present or future public convenience and necessity require or will require such construction, establishment, and operation, and no person or corporation not at

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<sup>1</sup> The exceptions are the area currently served by East Sevier Utility District, those areas presently within the city limits and planned growth area of Sevierville, Pigeon Forge, Gatlinburg and the Pitman Center, the Valley Mart Exxon (3201 Wears Valley Road) and Cove Mountain Realty (3174 Wears Valley Road) served by Integrated Resources Management Utility, Inc

the time a public utility shall commence the construction of any plant, line, system or route to be operated as a public utility, or the operation of which would constitute the same, or the owner or operator thereof, a public utility as defined by law, without having first obtained, in like manner, a similar certificate . . .

### **Background**

On April 6, 1994, On-Site received a CCN in Docket No. 93-09040 from the Tennessee Public Service Commission to provide wastewater service to the Oakwood Subdivision in Maury County. Since that time, through various other dockets, On-Site has been granted approval to expand its service territory to include other areas in Tennessee.

### **Petition to Amend CCN**

On May 9, 2003, On-Site filed its Petition to amend its CCN to expand its service area to include the remaining unincorporated areas of Sevier County. A map showing the area to which On-Site proposes to extend service is attached to its Petition. On-Site filed a rate schedule with its Petition in this docket which states that residential rates for the remaining unincorporated areas of Sevier County will be as follows:

Total monthly charge	\$35.11 <sup>2</sup>
Non-payment fee	5% of monthly charge
Disconnection fee	\$10
Reconnection fee	\$15
Returned check fee	\$20
Access fee	\$84/year

This rate schedule comports with the rate schedule for On-Site approved by the TRA in Docket No. 99-00393.

In its Petition, On-Site contends that Sevier County and the City of Pigeon Forge have declined to provide wastewater treatment in the requested service area. In support of this contention, On-Site submitted a letter dated February 12, 2003 from John Jagger, City of Pigeon Forge Community Development Director, stating that the City of Pigeon Forge will take a neutral stance on

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<sup>2</sup> In those instances where Lagoon Treatment is used the charge is \$30.98 per month

this matter. On-Site also submitted a March 6, 2003 letter from Larry Waters, Sevier County Executive, stating that Sevier County does not presently have plans to provide municipal or county sewers into unincorporated areas of the county.

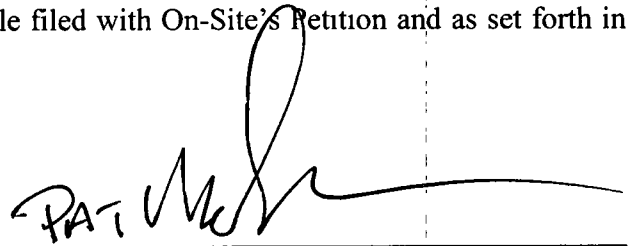
**October 21, 2003 Authority Conference**

The Directors of this voting panel considered On-Site's Petition at the regularly scheduled Authority Conference held on October 21, 2003. During the Conference the voting panel requested that the Company work with the staff of the Energy and Water Division of the TRA to provide additional information to the Authority related to the Company's substantial growth and continued service to Tennessee Consumers. The Company agreed to the request to provide additional information. The panel voted unanimously to approve the Petition.

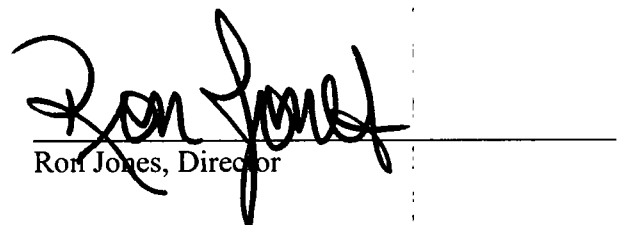
**IT IS THEREFORE ORDERED THAT:**

1. The Petition of On-Site Systems, Inc. to amend its Certificate of Public Convenience and Necessity to expand its service area to include the remaining unincorporated areas of Sevier County, as shown in the map attached to the Petition, is approved.

2. On-Site's rates for wastewater service to the remaining unincorporated areas of Sevier County shall be as listed in the rate schedule filed with On-Site's Petition and as set forth in this Order.

  
Pat Miller, Director

  
Sara Kyle, Director

  
Ron Jones, Director